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Commit to Continuous Improvement

Organizations seeing the financial returns from superior energy management continuously strive to improve their energy performance. Their success is based on regularly assessing energy performance and implementing steps to increase energy efficiency.

No matter the size or type of organization, the common element of successful energy management is commitment. Organizations make a commitment to allocate staff and funding to achieve continuous improvement.

To establish their energy program, leading organizations form a dedicated energy team and institute an energy policy.

Form A Dedicated Team

- + [Appoint an Energy Director](#) - Sets goals, tracks progress, and promotes the energy management program.
- + [Establish an Energy Team](#) - Executes energy management activities across different parts of the organization and ensures integration of best practices.

Institute an Energy Policy

- + [Institute an Energy Policy](#) - Provides the foundation for setting performance goals and integrating energy management into an organization's culture and operations.

In Practice

Eastman Kodak - Strong Commitment Yields Results

Like many organizations, energy management at Eastman Kodak (Kodak) had been largely confined to purchasing energy. As Kodak's Energy Director noted: "In the past, all the work done on energy was on the supply side. Driving energy savings initiatives in manufacturing was off limits." But then things began to change.

In 1999 Kodak established worldwide energy goals to reduce energy use and carbon dioxide emissions. To meet these goals Kodak created an energy policy, a Worldwide Energy Department, and appointed a new Energy Director. Two years later, Kodak joined ENERGY STAR. After signing the ENERGY STAR partnership letter, Kodak's President wrote: "We are making a fundamental commitment to the continuous improvement of our organizations's energy performance."

Since then, Kodak has made great strides towards improving its energy performance and meeting its worldwide environmental goals. By 2002, the Kodak Energy Office had achieved savings of \$8.5 million worldwide. Kodak was awarded the ENERGY STAR Corporate Commitment Award in 2003 for its accomplishments in energy management.

Poudre School District - Small District With Big Successes

In 1996 the Poudre School District (PSD) Board of Education in Fort Collins, Colorado adopted an energy policy that called for the establishment of an Energy Director position at the district level and the designation of energy efficiency coordinators at each of the district's campuses. The Board of Education also tasked the district to develop both short and long term strategies to increase energy efficiency and awareness of energy use.

As a result of the Board of Education's commitment to energy management, the Energy Efficiency Program has become an integral part of the district's culture. In 2000 PSD joined ENERGY STAR and by December, 2002 had benchmarked 47 of its 50 buildings, 10 of which have received the ENERGY STAR Label. In 2002, PSD also reduced its total energy use by 13 percent and the Energy Program estimates it has saved over \$311,000 in utility costs since 1996. In 2003, PSD was awarded the ENERGY STAR Partner of Year Award for its accomplishments and dedication to energy management.

Appoint an Energy Director

Appointing an Energy Director is a critical component of successful energy programs. An Energy Director helps an organization achieve its goals by establishing energy performance as a core value.

The Energy Director is not always an expert in energy and technical systems. Successful Energy Directors understand how energy management helps the organization achieve its financial and environmental goals and objectives. Depending on the size of the organization, the Energy Director role can be a full-time position or an addition to other responsibilities.

The Energy Director's key duties often include:

- + Coordinating and directing the overall energy program
- + Acting as the point of contact for senior management
- + Increasing the visibility of energy management within the organization
- + Drafting an Energy Policy
- + Assessing the potential value of improved energy management
- + Creating and leading the Energy Team
- + Securing sufficient resources to implement strategic energy management
- + Assuring accountability and commitment from core parts of the organization
- + Identifying opportunities for improvement and ensuring implementation (including staff training)
- + Measuring, tracking, evaluating, and communicating results
- + Obtaining recognition for achievements

Suggestions

If the Energy Director does not report directly to a senior manager, it is often helpful for a member of senior management to serve as an "executive ally." Upper management involvement is a key component of successful programs. Having an ally provides a direct link to upper management and helps to formalize the commitment to continuous improvement.

In Practice

Virtua Health

Virtua Health is the largest provider of healthcare in Southern New Jersey, operating five hospitals. In 1993, Virtua established a new energy program and launched an aggressive energy efficiency upgrade campaign. As part of this initiative an Energy Director was appointed to oversee the energy program and to keep senior management involved and supportive.

To ensure the continued support of senior management and to drive progress, Virtua Health's Energy Director submits monthly reports directly to the chief executive officer and president. Additionally, the Energy Director keeps Virtua's Board of Directors informed and supportive by providing annual reports on its strategic energy management initiatives.

Maintaining senior management involvement and support has helped to elevate the importance of energy management throughout the organization and has delivered results. Through its investments in energy efficiency and a comprehensive energy management plan, Virtua Health has saved more than \$1,064,400 in operating and energy costs.

Establish an Energy Team

Decisions affecting energy use are made every day by people. Creating an energy team helps to integrate energy management.

In addition to planning and implementing specific improvements, the team measures and tracks energy performance and communicates with management, employees and other stakeholders.

The size of the energy team will vary depending on the size of your organization. In addition to the Energy Director who leads the team and possible dedicated energy staff, consider including a representative from each operational area that significantly affects energy use, such as:

- + Engineering
- + Purchasing
- + Operations and Maintenance
- + Building/Facilities Management
- + Environmental Health and Safety
- + Corporate Real Estate and Leasing
- + Construction Management
- + Contractors and Suppliers
- + Utilities

In Practice

Publix Super Markets

Rather than create one large team, Publix Super Markets' energy director has created a number of linked cross-functional teams focused on reducing energy use.

- + **Refrigeration/Energy Program Team** - Addresses refrigeration and HVAC systems, works on technical solutions to reduce energy use and maintain high quality systems at Publix.
- + **Strategic Product Team** - Studies the broader scope of all energy consumption at Publix, looks for improvements in energy usage via building design, equipment specifications or systems standards.
- + **Lighting Steering Team** - Directs the Publix Lighting Program, resolves issues and concerns, explores new technologies, and researches supplier management opportunities that focus on energy efficiency.
- + **Energy Campaign Team** - Enlists the participation of all Publix associates in further reducing energy consumption at work and home through various awareness campaigns.

These teams have helped drive a 5 percent reduction in energy use at Publix.

Institute an Energy Policy

An Energy Policy provides the foundation for successful energy management. It formalizes senior management's support and articulates the organization's commitment to energy efficiency for employees, shareholders, the community and other stakeholders.

Based on the experience of ENERGY STAR partners, successful organizations have energy policies that:

- + State an objective - Have a clear, measurable objective that reflects the organization's commitment, culture and priorities.
- + Establish accountability - Institute a chain-of-command, define roles in the organization, and provide the authority for personnel to implement the energy management plan.
- + Ensure continuous improvement - Include provisions for evaluating and updating the policy to reflect changing needs and priorities.
- + Promote goals - Provide a context for setting performance goals by linking energy goals to overall financial and environmental goals of the organization.

Suggestions

- + Have the CEO or head of the organization officially issue the policy.
- + Involve key people in policy development to ensure buy-in.
- + Tailor the policy to the organization's culture.
- + Make it understandable to employees and public alike.
- + Consider the skills and abilities of management and employees.
- + Include detail that covers day-to-day operations.
- + Communicate the policy to all staff and employees, and encourage them to get involved.
- + Consider partnering with ENERGY STAR as a basis for your energy policy.

Sample Energy Policy

ABC Inc. Corporate Energy Policy

Objective: ABC Inc. is committed to using and purchasing energy in the most efficient, cost effective, and environmentally responsible manner possible. Towards this end, ABC shall:

Improve energy efficiency continuously by establishing and implementing effective energy management programs worldwide that support all operations and customer satisfaction while providing a safe and comfortable work environment.

Applicability: This policy shall apply to all ABC Inc., facilities, business units, and employees.

Approval: M. G. Watt, CEO & Chairman of the Board

3M's Energy Policy



Applicability

This Policy applies to all the 3M U.S. and operations outside of the U.S.

Introduction

The objectives of this policy are to improve energy consumption efficiently, reduce cost, decrease capital investment, reduce environmental emissions and conserve natural resources.

Policy Statement

3M ensures the effective use of energy to produce and deliver products and services to its customers by implementing the strategies listed below.

Strategies

- + Improve energy efficiency continuously by establishing and implementing effective energy management programs worldwide that support manufacturing capabilities and customer satisfaction while providing a safe and comfortable work environment.
- + Emphasize energy efficiency as a factor in product development and in process and facility design.
- + Secure adequate and reliable energy supplies at the most advantageous rates and implement contingency plans to protect operations from energy supply interruptions.
- + Encourage continuous energy conservation by employees in their work and personal activities.
- + Support further development of internal and external energy efficient technologies.
- + Cooperate with governmental agencies and utility companies on energy problems.
- + Support national energy efficiency policies.

Food Lion's Energy Policy



Energy Management Policy

Mission

Food Lion has a reputation for providing convenient grocery store locations with products at extra low prices. As part of our commitment to excellence, Food Lion will identify and implement improved financial and operational efficiencies in how we purchase and consume energy, striving to become a world-class leader in energy management within the supermarket industry.

Commitment to Energy Management

Energy Management will play an increasingly important role in achieving our strategic objectives. Specifically, Food Lion's Energy Management Strategy is to:

- + Support the organization's strategic plan to sharpen our pricing and promotion position, improve convenience of the shopping experience, enhance our fresh product perception, and achieve executional excellence.
- + Support our commitment to our employees, the environment and the community in which we conduct business by improving the environment through active efforts to reduce energy consumption and pollution.
- + Become one of the most efficient grocery stores in the world on a Btu per square foot basis.